## Message Text

CONFIDENTIAL

PAGE 01 REYKJA 00922 101403Z

51

**ACTION EUR-25** 

INFO OCT-01 ISO-00 EURE-00 CIAE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20 SAJ-01

OMB-01 EB-11 ACDA-19 DRC-01 /118 W

----- 069476

PR 101230Z JUL 74

FM AMEMBASSY REYKJAVIK

TO SECSTATE WASHDC PRIORITY 4631

INFO SECDEF WASHDC

USIA WASHDC

USMISSION NATO

CINCLANT

COMICEDEFOR

AMEMBASSY BONN

AMEMBASSY COPENHAGEN

AMEMBASSY LONDON

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

CONFIDENTIAL REYKJAVIK 0922

E.O. 11652: N/A

TAGS: PINT IC MARR NATO

SUBJECT: ICELAND'S NATIONAL ELECTION: THE LATEST ON FORMATION OF

NEW GOVT

REF: REYKJAVIK 918

- 1. MANEUVERING ON FORMATION OF NEW GOVT CONTINUES WITH FEVERISH ACTIVITY BY THE LEFTISTS. TALK AROUND TOWN IS THAT INDEPENDENCE PARTY CHAIRMAN GEIR HALLGRIMSSON IS GOING THROUGH WASTED MOTION TRYING TO FORM AN IP-LEAD GOVT. IP PARLIAMENT MEMBERS ARE OPENLY SHOWING INCREASED PESSIMISM.
- 2. IT APPEARS THAT ALL THE PARTIES ON THE LEFT AND THE SDP ARE READY TO COMPROMISE THEIR POSITIONS ON THE DEFENSE ISSUE. INDICATIONS ARE THAT THE SDP WILL SHOVE GYLFI GISLASON AND BJORN CONFIDENTIAL

CONFIDENTIAL

PAGE 02 REYKJA 00922 101403Z

JONSSON ASIDE AND RALLY AROUND BENEDIKT GRONDAL. SCUTTLEBUTT

HAS IT THAT SDP AND PP ALREADY HAVE AGREED THAT THERE IS NO INCONSISTENCY BETWEEN THE PROPOSALS ON IDF SUBMITTED TO USG BY FONMIN LAST APRIL AND GRONDAL'S UNARMED CIVILIAN SURVEILLANCE STATION CONCEPT. THIS MEANS THAT THE PP CONCEDED MORE THAN SDP BUT THAT AN ICELANDIZATION PROGRAM WILL HAVE TO COMMENCE AND A PROGRAM TO ENHANCE THE ICELANDIC COAST GUARD'S INSHORE PATROL CAPABILITY WILL HAVE TO BE INITIATED.

- 3. YESTERDAY THE OLL (MAGNUS TORFI OLAFSSON AND KARVEL PALMASON) ISSUED AN OPEN LETTER TO ITS CHAPTERS TO FORGET THEIR DIFFERENCES WITH SDP AND TRY TO AMALGAMATE WITH SDP SO AS TO BE IN A NEW LEFTIST GOVT.
- 4. NO ONE SEEMS TO DOUBT THAT THE CONFLICT WITHIN THE COMMUNIST PEOPLES PARTY (REFTEL, PARA 5) WILL BE RESOLVED IN FAVOR OF COMPROMISING THEIR HARD LINE POSITION ON THE IDF IN ORDER TO PARTICIPATE IN ANOTHER LEFTIST GOVT.
- 5. DESPITE THE ABOVE, GEIR HALLGRIMSSON INTENDS TO TAKE AT LEAST TWO WEEKS IN HIS EFFORTS TO FORM A GOVT. HE IS SWITCHING HIS TACTICS FROM THE DEFENSE ISSUE TO THE ECONOMIC ISSUE WITH HOPE OF TRYING TO HIGHLIGHT BLAME ON THE PREVIOUS LEFTIST GOVT FOR THE ECONOMIC MESS.
- 6. THE STRONG PRO-IDF DEFENSE APPROACH BY THE IP DURING THE ELECTION CAMPAIGN MAY NOW BE HURTING THE PARTY. IP GAVE MANY VOTERS THE IMPRESSION (ERRONEOUS) THAT IT WANTED TO KEEP THE IDF IN ICELAND "FOREVER", WHEREAS THE PP AND SDP GAVE IMPRESSION THAT THE IDF MUST BE REMOVED BUT WHEN CIRCUMSTANCE PERMITTED. MOST ICELANDERS STILL WOULD PREFER TO BE RID OF ALL MILITARY BUT THERE ARE DIFFERENCES IN TIMING. EVEN THE 55,000 PETITION-SIGNERS HAVE THE LONG-RANGE AIM OR DREAM OF AN UNARMED ICELAND. THE EMPHASIS IN THE PETITION WAS THAT NOW WAS NOT THE TIME TO BE LEFT DEFENSELESS.
- 7. ICELANDIC POLITICS ARE UNPREDICTABLE AND ANYTHING CAN DEVELOP. THE DEGREE OF PESSIMISM PREVAILING WITHIN THE IP, HOWEVER, IS DISTURBING.
  IRVING

CONFIDENTIAL

NNN

## Message Attributes

Automatic Decaptioning: X Capture Date: 01 JAN 1994 Channel Indicators: n/a

**Current Classification: UNCLASSIFIED** 

Concepts: GOVERNMENT REFORM, COALITION GOVERNMENT, PARTY LINE, PARTY LEADERS, PARTY SCHISMS, COLLECTIVE SECURITY

**AGREĖMENTS** Control Number: n/a Copy: SINGLE Draft Date: 10 JUL 1974 Decaption Date: 01 JAN 1960 **Decaption Note:** 

Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: kelleyw0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW

Disposition Comment: 25 YEAR Disposition Date: 28 MAY 2004 Disposition Event: Disposition History: n/a Disposition Remarks: December: 1074PEVK

Document Number: 1974REYKJA00922 Document Source: CORE

**Document Unique ID: 00** Drafter: n/a Enclosure: DG ALTERED

Executive Order: GS Errors: N/A

Film Number: D740183-0599 From: REYKJAVIK Handling Restrictions: n/a Image Path:

ISecure: 1

Legacy Key: link1974/newtext/t19740761/aaaacadb.tel

Line Count: 99

Locator: TEXT ON-LINE, ON MICROFILM

Office: ACTION EUR

Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a

Page Count: 2

Previous Channel Indicators:

Previous Classification: CONFIDENTIAL Previous Handling Restrictions: n/a Reference: REYKJAVIK 918 Review Action: RELEASED, APPROVED

Review Authority: kelleyw0 Review Comment: n/a Review Content Flags: Review Date: 08 MAY 2002 **Review Event:** Review Exemptions: n/a

Review History: RELEASED <08 MAY 2002 by boyleja>, APPROVED <24-Sep-2002 by kelleyw0>

**Review Markings:** 

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

**Review Media Identifier:** Review Referrals: n/a Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

Secure: OPEN Status: NATIVE

Subject: ICELAND'S NATIONAL ELECTION: THE LATEST ON FORMATION OF NEW GOVT

TAGS: PINT, MARR, IC, NATO, IDF, (HALLGRIMSSON, GEIR)
To: STATE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005